

Leon E. Comeaux & Associates

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June 13, 2001

Honorable Philip N. Asprodites
Commissioner of Conservation
Department of Natural Resources
Office of Conservation
P. O. Box 94275
Baton Rouge, Louisiana 70804-9275

RE: M36-A Zone, Reservoir A
NORTH PECAN ISLAND FIELD
Vermilion Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of Watson Energy, L.L.C., to the Commissioner of Conservation for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the M36-A Zone, Reservoir A, in the North Pecan Island Field, Vermilion Parish, Louisiana.

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the M36-A Zone, Reservoir A, in the North Pecan Island Field, Vermilion Parish, Louisiana.
2. To create a single drilling and production unit for this zone and to force pool and integrate all separately owned tracts, mineral leases and other property interests within the unit so created.
3. To designate a unit operator and a unit well for the unit so created.
4. To provide that any well drilled outside of the M36-A Zone, Reservoir A, shall be in accordance with the spacing provisions of Statewide Order No. 29-E.
5. To provide that the Commissioner may reclassify the Reservoir by supplemental order and without the necessity of a public hearing should such reclassification be warranted, based on evidence furnished the Commissioner.
6. To discuss any other matters that may be pertinent to this application.

The M36-A Zone, Reservoir A, in the North Pecan Island Field, Vermilion Parish, Louisiana, is hereby defined as being that gas and condensate bearing zone encountered between 14,006' and 15,468' electric log measured depths (13,302' and 14,292' - true vertical depths) in the Watson Energy, L.L.C. - ECRF No. 1 Well (S.N. 224517) located in Section 11, Township 16 South, Range 1 East, Vermilion Parish, Louisiana.

In addition to furnishing the legal notice to all Interested Parties, the applicant will provide for POSTING of the legal notice of the hearing and unit plat in a prominent place in the area of the North Pecan Island Field, Vermilion Parish, Louisiana, and will cause the legal notice of the hearing to be PUBLISHED in a newspaper of general circulation published in the vicinity of the North Pecan Island Field, Vermilion Parish, Louisiana, at least fifteen (15) days before the hearing date.

Any pertinent data relating to the subject application can be obtained, **AT THE COST OF THE REQUESTING PARTY**, from Cambe Geological Services, 1500 Gray Street, Houston, Texas 77002 (Phone - 713-659-8364).

In compliance with the Rules of Procedure, a preapplication conference was held in Lafayette, Louisiana, on May 16, 2001, at which the parties named on the attached list were in attendance.

The conference was opened with a discussion by Mr. Leon Comeaux, representing Watson Energy, L. L. C., concerning the nature and purpose of the conference and the bases for the applicant's proposed unit.

Messrs. Louis Gilbert and B. J. Duplantis, representing Greenwing, ECRF, LLC and MLAL Enterprises, LLC, presented a counterplan. After some discussion with no resolution of differences, the meeting was adjourned with the understanding that I would propose a compromise plan. At this time not all of the parties have responded to the plan. The revised plat is attached to this application in anticipation of approval.

There are attached hereto and made a part hereof a revised plat outlining the proposed unit, the conference attendance list, and a list of the names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom this application is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, the list of parties will be provided to any party requesting a copy. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, there is enclosed our check on behalf of the applicant, Watson Energy, L.L.C., in the sum of \$700.00 payable to the Office of Conservation and representing the required hearing application fee.

Sincerely,

LEON E. COMEAUX & ASSOCIATES



Leon E. Comeaux

LEC/cu
Enclosures
cc: Mr. Richard Hudson
Office of Conservation
825 Kaliste Saloom Road, Brandywine III, Ste. 220
Lafayette, Louisiana 70508

Interested Parties, Interested Owners
and Represented Parties

R 1 E

9

Un. Prod.
Albritton
12521'

GEOGRAPHIC

M36-A RA SUA
ECRF NO. 1
± 410 ACRES

10

Watson Energy
ECRF
15552' MD
14378' VD

Tex. Crude
Albritton

11

So. Nat. Gas
Albritton
16124'
14824'

Un. Cal.
12763'

Exxon
F-1
12763'

Legacy
Albritton
12900'

59
14189'

12

16

Exxon
School Board
B-2
14647'

T

B-1
12454'

15

Exxon ST
66
14195' 14336'

14

Union Cal.
Albritton
12525'

E-1
14864'

13

21

16

22

12
12644'

23

Exxon
58
10777'

28

74
13230'

27

2
11811'

26

69
11400'

10
11383'

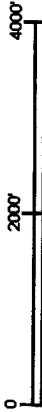
16
12947'

EXHIBIT NO. DOCKET NO.

WATSON ENERGY, L.L.C.

NORTH PECAN ISLAND FIELD
VERMILION PARISH, LOUISIANA

PROPOSED UNIT
M36-A ZONE
Geology by: Leon Comeaux



DATE:

LEON E. COMEAUX & ASSOC. GEOLOGISTS